

Arkansas Insurance Department

Mike Huckabee
Governor



Julie Benafield Bowman
Commissioner

NEWS RELEASE

FOR IMMEDIATE RELEASE

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State Insurance Department Receives Accreditation Honors

LITTLE ROCK, ARKANSAS (March 9, 2006) —The Arkansas Insurance Department has received another Accreditation Award from the National Association of Insurance Commissioners (NAIC) for the Department's successful completion of the NAIC's accreditation review process, State Insurance Commissioner Julie Benafield Bowman recently announced.

"I am extremely proud of this Department's Finance Division and how it has demonstrated its commitment to protect insurance consumers in the State of Arkansas," Commissioner Bowman said. "We are indeed fortunate to have such a group of professionals working for the people of Arkansas."

The Arkansas Insurance Department is legally bound to carry out its mission of consumer protection through insurer solvency regulations. The NAIC's accreditation review process consists of a rigorous examination of the Insurance Department's regulatory oversight of insurance company solvency standards.

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“Requiring insurance companies to prove solvency is one of the greatest protections afforded insurance consumers,” Commissioner Bowman continued. “This regulatory authority is meant to ensure that companies can pay claims when they become due.”

According to the guidelines set forth by the NAIC Financial Regulation Standards Accreditation Program, an effective system of solvency regulation contains three basic components. The system requires that regulators have adequate statutory and administrative authority to regulate an insurer’s corporate and financial affairs. It also requires that regulators have the necessary resources to carry out that authority and that insurance departments have in place organizational and personnel practices designed for effective regulation.

“Although a guaranty fund is available in some instances to assistance consumers when a company becomes insolvent, the Arkansas Insurance Department works diligently to make sure companies remain solvent and that claims are paid in a timely manner,” Commissioner Bowman stressed. “The Department’s goal is to continue the highest level of consumer protection to the citizens of Arkansas. The high scores received from the NAIC’s accreditation review process indicate our goals are being achieved.”

The Insurance Department received its first Accreditation Award from the NAIC in 1998.

The Arkansas Insurance Department is located at 1200 West Third Street (the corner of Third and Cross Streets) in downtown Little Rock. Its primary mission is consumer protection through insurer solvency and market conduct regulation and fraud prosecution and deterrence.

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